

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re: CORE SCIENTIFIC, INC., et al., Debtors.¹	§ § Chapter 11 § § Case No. 22-90341 (DRJ) § § Jointly Administered §
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**BLOCKFI LENDING LLC’S (I) LIMITED JOINDER TO OBJECTION TO THE
MOTION OF THE DEBTORS FOR ORDER EXTENDING EXCLUSIVE PERIODS
PURSUANT TO SECTION 1121(D) OF THE BANKRUPTCY CODE; AND
(II) RESERVATION OF RIGHTS**

BlockFi Lending LLC (“BlockFi”), as a secured lender and party-in-interest herein, files this (i) limited joinder to the *Objection to the Motion of the Debtors for Order Extending Exclusive Periods Pursuant to Section 1121(D) of the Bankruptcy Code* [Docket No. 834] (the “Exclusivity Objection”)², and (ii) reservation of rights (this “Joinder”). In support of this Joinder, BlockFi respectfully states as follows:

Background

1. On December 21, 2022 (the “Petition Date”), Core Scientific, Inc. (“Core”) and its affiliated debtors and debtors-in-possession (collectively, the “Debtors”) each filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”), thereby commencing the above-captioned bankruptcy cases (the “Chapter 11 Cases”). The Debtors

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are as follows: Core Scientific Mining LLC (6971); Core Scientific, Inc. (3837); Core Scientific Acquired Mining LLC (N/A); Core Scientific Operating Company (5526); Radar Relay, Inc. (0496); Core Scientific Specialty Mining (Oklahoma) LLC (4327); American Property Acquisition, LLC (0825); Starboard Capital LLC (6677); RADAR LLC (5106); American Property Acquisitions I, LLC (9717); and American Property Acquisitions, VII, LLC (3198). The Debtors’ corporate headquarters and service address is 210 Barton Springs Road, Suite 300, Austin, Texas 78704.

² Capitalized terms used but not otherwise defined herein have the meaning ascribed to such terms in the Exclusivity Objection.

continue to manage and operate their business as debtors-in-possession pursuant to Bankruptcy Code §§ 1107 and 1108. The Office of the United States Trustee appointed an Official Committee of Unsecured Creditors in the Chapter 11 Cases on January 9, 2023. *See Notice of Appointment of Official Committee of Unsecured Creditors* [Doc. No. 256].

2. On April 14, 2023, BlockFi filed (i) proof of claim number 423 against Debtor Core Scientific, Inc. and (ii) proof of claim number 447 against Debtor Core Scientific Operating Company (collectively, the “BlockFi Proofs of Claim”).

3. As more fully detailed in the BlockFi Proofs of Claim, BlockFi holds claims against the Debtors in an aggregate amount of not less than \$55,815,043.30 as of the Petition Date. BlockFi’s claims are secured by, among other collateral, more than 14,500 ASIC Miners (the “Mining Equipment”). The Debtors continue to operate the Mining Equipment and to generate substantial revenue for their estates from such operation of the Mining Equipment and the equipment collateral of other similarly situated Equipment Lenders. To date, the Debtors have not made any form of post-petition payment to BlockFi.

Joinder to Objection to Exclusivity Motion

4. Despite the passage of more than four months since the commencement of these Chapter 11 Cases, the Debtors have yet to meaningfully engage with the Equipment Lenders, one of the key stakeholder constituents in these Chapter 11 Cases, regarding a plan of reorganization. The Debtors’ Business Plan, which the Exclusivity Motion suggested would be finalized in “mid to late April,” has yet to materialize, or at least has not been shared with the Equipment Lenders. Untethered by typical case milestones, and with the benefit of the substantial cash flow being generated from operation of the Mining Equipment and the equipment collateral of other similarly situated Equipment Lenders, the Debtors appear to have little sense of urgency in proposing or filing a plan to resolve these Chapter 11 Cases.

5. BlockFi looks forward to the opportunity to meaningfully engage with the Debtors regarding a Business Plan. As articulated in the Exclusivity Objection, however, the Debtors should not be able to hold BlockFi and the other Equipment Lenders hostage while continuing to benefit from the operation of their equipment collateral and placing all downside pricing risk on the shoulders of the Equipment Lenders.

6. While BlockFi does not join in every statement contained in the Exclusivity Objection, for the reasons set forth herein and in the Exclusivity Objection, BlockFi joins the objection to the relief requested in the Debtors' Exclusivity Motion and respectfully requests that the Court deny the relief requested therein.

Reservation of Rights

7. This Joinder is submitted without prejudice to, and with full reservation of, BlockFi's rights, claims, defenses, and remedies, including the right to amend, modify, or supplement this Joinder, to seek discovery, to raise additional objections and to introduce evidence at any hearing related to the Exclusivity Motion, and without in any way limiting any other rights of BlockFi to object to the Exclusivity Motion, on any grounds, as may be appropriate. BlockFi reserves the right to amend or supplement this Joinder.

Dated: May 1, 2023

Respectfully submitted,

By: /s/ Matthew T. Ferris

Kenric D. Kattner

Texas State Bar No. 11108400

Arsalan Muhammad

Texas State Bar No. 24074771

HAYNES AND BOONE, LLP

1221 McKinney Street, Suite 4000

Houston, TX 77010

Telephone No.: (713) 547-2000

Facsimile No.: (713) 547-2600

Email: kenric.kattner@haynesboone.com

Email: arsalan.muhammad@haynesboone.com

- and -

Matthew T. Ferris

Texas State Bar No. 24045870

Charles M. Jones II

Texas State Bar No. 24054941

HAYNES AND BOONE, LLP

2323 Victory Avenue, Suite 700

Dallas, TX 75219

Telephone No. (214) 651-5000

Facsimile No.: (214) 651-5940

Email: matt.ferris@haynesboone.com

Email: charlie.jones@haynesboone.com

- and -

Richard Kanowitz, (admitted *pro hac vice*)

HAYNES AND BOONE, LLP

30 Rockefeller Plaza, 26th Floor

New York, NY 10112

Telephone No.: (212) 659-7300

Facsimile No.: (212) 918-8989

Email: richard.kanowitz@haynesboone.com

Counsel for BlockFi Lending LLC

Certificate of Service

I hereby certify that a true and correct copy of the foregoing document was served by electronic mail via the Court's ECF system to all parties authorized to receive electronic notice in this case on May 1, 2023.

/s/ Matthew T. Ferris

Matthew T. Ferris